

SENATE BILL REPORT

SHB 1845

As of March 24, 2009

Title: An act relating to medical support obligations.

Brief Description: Concerning medical support obligations.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Rodne and Pedersen; by request of Department of Social and Health Services).

Brief History: Passed House: 3/06/09, 96-0.

Committee Activity: Human Services & Corrections: 3/24/09.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Shani Bauer (786-7468)

Background: Under federal law, the state must take steps to provide for a child's health care coverage as part of any child support order. In July of 2008, the Administration for Children and Families adopted new regulations further specifying state obligations in enforcing medical support provisions. Specifically, those regulations require the state to consider health insurance available to either parent at the time of entering a support order and require an obligated parent to pay a cash medical support obligation if that person does not have health insurance available. The regulations also define reasonable cost for health insurance as 5 percent of a parent's gross income or a comparable standard determined by the state.

A cash medical support obligation may require the parent to pay a proportional amount of an insurance premium paid for private insurance by the other party or an amount paid by the state to cover the child under Medicaid. If the child is covered by the state through Medicaid, the parent's proportional share may be retained by the state as reimbursement or passed through to the parent for payment of medical expenses. If no insurance is available, the parent must be required to contribute to the uninsured expenses of the child.

Under current state law, the court must require either or both parents to provide health insurance coverage for the child if coverage is or becomes available through the parents' employment and the cost is less than 25 percent of the obligated parent's basic child support obligation. The court may also provide for the uninsured medical costs of the children.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Health insurance coverage is enforced by the Department of Social and Health Services (DSHS) through a standardized notice developed by the federal government called the "National Medical Support Notice." When a notice is issued to an employer, the employer must respond. If health insurance is available, the employer must withhold the necessary premium and forward the notice to a health insurance provider. The provider must enroll the children in health care coverage.

Summary of Bill: The court must require either or both parents to provide medical support for any child named in the order, in the following order of priority. The parent must:

- maintain or provide health insurance coverage if insurance is available to the parent through employment or is union-related and the cost does not exceed 25 percent of the parent's basic child support obligation;
- pay to the other party, as cash medical support, an additional amount equal to the obligated parent's proportionate share of the health insurance premium paid by the other party or the state; and
- pay his or her proportionate share of uninsured medical expenses for the child or children covered by the support order.

Like provisions must be included in administrative support orders established through DSHS.

DSHS will first seek to enforce health insurance coverage against an obligated parent. If coverage is not available, DSHS will enforce a cash medical support obligation. If a sum certain amount is not specified in the order for cash medical support, DSHS may serve notice on the parent to determine the amount. Parties may seek enforcement of a medical support obligation on their own through the superior court.

When cash medical support is collected and the child is on Medicaid, DSHS may retain the funds as reimbursement or pass through the funds to the parent for medical costs. Enforcement of health insurance coverage using the National Medical Support Notice is limited to enforcing coverage against the obligated parent.

A receiving parent may be required to account for how cash medical support is being used to benefit the child. A parent required to provide health insurance coverage must notify DSHS and the other parent when coverage terminates.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on October 1, 2009.

Staff Summary of Public Testimony: PRO: This bill satisfies a state plan requirement for DSHS. A striker is being worked on collaboratively that would reorganize provisions for clarity, ensure whenever possible that parents are not being required to provide double coverage for a child, and to allow a credit to the child support calculation when coverage is provided at the time the order is entered.

Persons Testifying: PRO: David Stillman, DSHS, Division of Child Support; Robin Zukoski, Columbia Legal Services.